



"BLOWING THE WHISTLE" AND THE CASE FOR CRUISE CERTIFICATION

*A Matter of Environmental
and Social Justice under
International Law*

October 2002



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To contact Oceans Blue Foundation, please contact Dana Carlson, Communications Coordinator, at 1.604.684.2583 or shores@oceansblue.org. Oceans Blue Foundation's Cruise Ship Stewardship Initiative Whistleblower Line is 1.877.329.5757. Oceans Blue Foundation (Canada) is headquartered at 405 – 134 Abbott Street, Vancouver, B.C., Canada V6B 2K4.

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“BLOWING THE WHISTLE” AND THE CASE FOR CRUISE CERTIFICATION
***A MATTER OF ENVIRONMENTAL AND SOCIAL JUSTICE UNDER INTERNATIONAL
LAW***

EXECUTIVE SUMMARY

A “whistle-blower” lawsuit by Captain James P. Walsh, former Vice President, Environmental Health and Safety for Carnival Cruise Lines is a ringing alarm bell: industrial cruise tourism risks running aground if corporate executives and officers do not change course on how they conduct business. This whistleblower lawsuit is unprecedented in its allegations regarding senior executive decision-making to oppose and ignore compliance with safety and environmental laws, rules and regulations. Cruise corporations must cease denying the need for greater corporate accountability and major reform. Changes in corporate behaviour must be independently verified under an international cruise ship stakeholder-based certification program.

Corporations face serious risks to public credibility and shareholder value if they are perceived to be responsible for or complicit in violation of environmental and social justice issues under international law. From the investment community’s point of view, social risk is very often linked to financial risk. It is important that corporations maintain and enhance their public credibility and reputation by mitigating and remedying their risks to the environment, human health and safety.

Likewise, the member cruise lines of the International Council of Cruise Lines (ICCL), a cruise industry lobby group, would face a number of risks to public credibility and shareholder value if they were observed to be responsible for or complicit in environmental or human rights violations. Stakeholders including cruise passengers are increasingly “blowing the whistle” on what they consider to be cruise lines’ responsibility for or complicity in environmental or human rights violations including:

- Coastal communities in the “North” such as Monterey Bay in California are concerned about environmental degradation to sensitive marine ecosystems;
- Coastal communities in the “South” such as Xcaret in Mexico are concerned about tourism dollars going off-shore to benefit cruise corporate owners;
- Aboriginal communities such as Yakutat in Alaska are demanding recognition of their territorial rights to protect subsistence resources and levy taxes on cruise ships;
- Conservation organizations such as Bluewater Network, Environmental Law Foundation, San Diego BayKeeper, and Surfrider Foundation are litigating unlawful cruise ship ballast water discharges for releasing invasive species into California state waters;
- Labour groups such as the International Transport Workers Federation are campaigning to raise consumers’ awareness about cruise labour practices;
- Countries such as the United States of America are increasing their enforcement of environmental crimes and imposing multi-million dollar fines; and

- Former employees such as Captain James P. Walsh, former Vice President, Environmental, Health and Safety for Carnival Cruise Lines has launched a “whistle-blower” lawsuit because he objected to, or refused to participate in activities, policies, or practices that were allegedly in violation of a law, rule or regulation.

Oceans Blue Foundation proposes a transparent stakeholder based vessel certification process as the preferred path to credibility for the cruise industry in conjunction with the rigorous application of corporate reform and environmental legislative regimes. No one wants an environmental or safety disaster, or a backlash from an informed public, where the cruise tourism industry collapses from corporate executive hubris. Based on our research, cruise corporations resist allocating sufficient resources to protect passenger health, crew health, safety and working environment, as well as the integrity of our public resources and our coastal ecosystems.

Vessel certification would guarantee on behalf of the public and stakeholders that cruise ships are meeting rigorous environmental and social standards. The process of certification would confirm formally the truth, accuracy, and genuineness of cruise corporations’ performance, a function particularly needed in light of major cruise corporations having pled guilty to U.S. felony pollution counts resulting in multi-million dollar fines, and because cruise auditors’, or classification societies, conflicts of interests contribute to the systemic breakdown in accountability.

Cruise corporations would gain significant commercial advantages from adopting certification in collaboration with concerned stakeholders as part of a comprehensive environmental and human rights policy that would have independent third-party verification. These advantages include:

- Enhanced corporate reputation and competitiveness;
- Improved employee recruitment and retention;
- Improved community relations; and
- Reduced risk of adverse publicity, divestment campaigns, and lawsuits.

All stakeholders in certification have the same goals - sustaining the natural resources entrusted to us for the next generations, and contributing to a socially and environmentally just world that we would want our own children to enjoy.

In summary, this first phase of a two part report submits that cruise corporations should cease from “managing” stakeholders through public and governmental relations by cruise industry lobbying associations like the ICCL because this decreases cruise corporations’ public credibility and raises the potential risks to shareholder value, but more importantly threatens the environment and coastal communities upon which the cruise industry thrives.

The purpose of this first phase of the report is to articulate some of the outstanding concerns of stakeholders regarding the international environmental and social laws and norms that underpin the cruise industry. Oceans Blue Foundation is currently working with stakeholders around the world to prepare the second phase of this report, which will focus on specific environmental and social justice issues related to the routine operating procedures of the international cruise industry. Oceans Blue Foundation’s second report will build upon these critical vessel evaluations to provide a baseline of performance for the global fleet that can lead to the establishment of a meaningful international certification program.

This report is authored by Tracy London J.D., M.S.W., Senior Policy Director of Oceans Blue Foundation. To contact Oceans Blue Foundation, please contact Dana Carlson, Communications Coordinator, at 1.604.684.2583 or shores@oceansblue.org.

INTRODUCTION

*Ideals are like stars: you will not succeed in touching them with your hands, but like the seafaring man on the ocean desert of waters, you choose them as your guides, and following them, you reach your destiny. – **Carl Schurz***

The major cruise industry is represented by the International Council of Cruise Lines (ICCL), a non-profit trade association that represents the interests of 16 of the largest cruise lines operating in the North American cruise market (Carnival Cruise Lines, Celebrity Cruises, Costa Cruises, Crystal Cruises, Cunard Line, Disney Cruise Line, Holland America Line, Norwegian Cruise Line, Orient Lines, Princess Cruises, Radisson Seven Seas Cruises, Regal Cruises, Royal Caribbean International, Royal Olympic Cruises, Seabourn Cruise Line, Windstar Cruises). Carnival Corporation Ltd. (CCL) operates five separate cruise lines under the names Carnival Cruise Lines, Cunard Line, Holland America Line, Seabourn Cruise Line and Windstar Cruises and a tour business, Holland America Westours. CCL has a market capitalization of \$14.9 billion, and holds about 27% of the global market share. Royal Caribbean Cruise Lines Ltd. (RCL) operates two brands, Celebrity Cruises and Royal Caribbean International, and has a market capitalization of \$3.7 billion. RCL has a global market share of about 22%. P & O Princess Cruise Plc (POC) brands comprise Princess Cruises in North America; P&O Cruises and Swan Hellenic in the U.K.; AIDA and A'ROSA in Germany, as well as P&O Cruises in Australia. POC market capitalization is \$5.0 billion with a global market share in the low teens. According to the ICCL, by 2010, total cruise passengers worldwide are forecasted to grow from 9.8. million in 2000, to 20.7 million.

Cruise tourism sells exotic, beautiful destinations; bountiful cuisine, luxurious surroundings, indulgent service; rest, entertainment, romance, fun. A cruise ship takes one away to sea to leave behind one's mundane landlocked worries. Each cruise line masterfully tailors experiences to please each niche market and, for many, a cruise is the fulfillment of a dream. Cruising taps into a deep cultural vein of the triumph of our technological ingenuity to build bigger and grander ships to carry us over a distant horizon to a new world.

Cruise tourism's exponential growth worldwide is testament to its effectiveness in branding of carefree, limitless horizons, so effective in fact, that governments around the world and the public buy into this branding extending beyond the cruising experience, believing that cruise tourism must be unlike any other industry. Major cruise corporations might even buy into the myth of their own branding, complacent that their stature as captains of the sea secures their entitlement as captains of industry.

Cruise ship passenger love for the cruise myth of a by-gone era will not be blind forever. It is inevitable that governments' and the public understanding of industrial scale cruising will become more sophisticated and piercing. At one time, environmental and social justice seemed irrelevant to how corporations had to conduct business. The critical questions that are being posed to other industries about fair wages, pollution, corruption, and other environmental and social justice issues that at one time had seemed to be irrelevant to how corporations had to conduct business will be asked of the handful of dominant transnational corporations that control a significant part of the cruise market.

IDEALS TO NAVIGATE BY

At all levels of government and civil society, there is an instinctual awareness that there has been a fundamental conceptual and even cultural shift in what we consider to be acceptable or normal corporate practice in focusing on short-term profit gain. We see it in our streets as anti-globalization protests; we see it in the United Nations as the Global Compact; we see it in our markets as stocks plummet and corporate executives face criminal charges.

Cruise corporations represent to the public that their labour practices are already fair, their operations already protect the environment, and communities already enjoy an equitable economic bounty from their business – they are already doing enough and the window for improvement is negligible. Cruise corporations argue that they are already fully and adequately regulated, and these matters are best left between themselves, governments, and private classification societies.

In contrast, more stakeholders are fundamentally disagreeing with that representation based on their own experiences and observations of irresponsible cruise corporate behaviour without accountability. More stakeholders are expressing concern that the cruise industry is in violation of international environmental and human rights norms, let alone domestic environmental and human rights laws. An industry in denial provokes dysfunction externally and internally. By marginalizing these reasonable voices as disloyal, hearsay, or radical, we have seen that the conditions for market campaigns and aggressive litigation across multiple jurisdictions are often set in other industries, and there is no reason why cruise tourism would be immune to these foreseeable consequences.

Rather than wait to be engulfed within the turmoil of this ideological and historical schism, the cruise industry has the opportunity to modernize the ideals by which it navigates, dedicating its ingenuity to best available technology on all ships for all destinations, and its innate branding creativity to imagine and innovate on how to do business that does justice to the environment and society, and still be profitable. We are witnessing the emergence of ideals concerning the harmony of corporate profit with international human rights and environmental law norms, and stakeholders' active participation in the demand for that harmony. By embracing these nascent ideals like stars to guide the future of the cruise industry, cruise corporations can create their destiny toward this new world instead of community conflict, shareholder market turmoil, and criminal convictions determining their destiny for them.

PURPOSE

The purpose of the first phase of this report is to articulate the concerns of stakeholders regarding the international environmental and social laws and norms that underpin the cruise industry. Now is the time to make a case for stakeholder-based certification in light of current cruise industry efforts to circumvent increased regulatory scrutiny through memoranda of understanding processes with regulatory authorities, and cruise industry plans to embark on a 2003 cruise season of ever greater capacity globally without due respect to stakeholders' concerns about environmental and social justice.

This first phase is a call to action to all stakeholders to join Oceans Blue Foundation in an effort to “blow the whistle” on cruise corporate behaviour that is happening below the public’s awareness radar. This report is also an invitation to cruise industry early adopters to participate in a process of working with stakeholders to create a certification program that would address important issues of accountability cooperatively. The overall intent behind this report is simple; cruise corporations can do better for their shareholders, for communities and for the environment, and we want to contribute to the solutions that will make the industry better.

Herein lays a tension in this approach. To aspire to do better, cruise corporations must be willing to recognize that they fall short in some important areas. This dynamic is not entirely different from nation states consenting to report on their international human rights or environmental performance to a treaty body as part of their duty and commitment. This dynamic of public disclosure is non-intrusive, and the spirit of international cooperation behind this dialogue is often helpful for world leaders to engage the tools for change.

Herein also lays a tension in this report. To talk about doing better and about cruise corporations realizing goals that reflect notions of environmental and social justice, this report must also point out that cruise corporations fall short in some important areas. The intent of this report is not to torpedo any particular line, cruise corporation, or industry as a whole.

A MATTER OF TRUTH AND CORPORATE GOVERNANCE

Environmental and social justice issues raised elsewhere in this report are and could be increasingly advocated for by concerned stakeholder groups are manifested within Captain James P. Walsh's, former Vice President, Environmental, Health and Safety for Carnival Cruise Lines, "whistle-blower" lawsuit. Florida's private sector "Whistle Blower Act", § 448.101, et seq., Fla. Stat. (2001) includes elements such as the objection to, or refusal to participate in activities, policies, or practices that were in violation of a law, rule or regulation; and the provision of information to, or testified before, any appropriate governmental agency, person, or entity conducting an investigation, hearing, or inquiry into an alleged violation of a law, rule, or regulation by the employer.

It is very noteworthy that environmental and social justice issues might find their expression in the exercise of responsible or irresponsible corporate governance. This strengthens the argument that social and environmental risks and penalties might also often be tied to corporate governance. This whistleblower lawsuit is unprecedented in its allegations regarding senior cruise corporate executive decision-making to oppose and ignore compliance with safety and environmental laws, rules and regulations. Corporate governance issues raised but not limited to in the allegations include:

- Perjured testimony to the National Transportation Safety Board by then Vice President of Carnival Cruise Lines for Operations, subsequent to a fire aboard the *Ecstasy* in the Summer of 1998;
- Carnival Corporation Chairman of the Board and CEO, Carnival Corporation Vice Chairman, and Carnival Cruise Lines President's refusal to discipline any ship's engineer for disabling the oil-content monitors, even though a policy against doing so was articulated in 1997;
- Carnival Corporation Chairman of the Board and CEO informing the Vice President of Corporate Audit that Holland America's CEO does not want Captain Walsh to continue to document oil leaks emanating from the *Statendam's* sterntube. The *Statendam* was operating in Alaskan and Hawaiian waters at the time of the documented leak;
- Carnival Cruise Lines President instructing Captain Walsh to cease documentation of the continuing oil leaks from thrusters by the Carnival Cruise Lines ships *Imagination*, *Inspiration*, *Ecstasy*, *Fantasy* and *Fascination*, as well as leaks from the *Inspiration's* stern tube; and

- Carnival Cruise Lines' legal counsel instructing Captain Walsh to tell investigators from the Department of Justice, the U.S. Environmental Protection Agency, the Department of Transportation and the U.S. Coast Guard that "you don't recall any conversations" with senior management concerning illegal discharges.

Environmental and social justice issues raised but not limited to in the allegations include:

- the placement of cruise workers and passengers in unsafe conditions by overloading passenger quarters, safety-drill roll calls, inadequate safety equipment, water tight doors as per SOLAS, and sailing with submerged load lines as per the International Load Line Convention;
- by-passing of oily-water separators completely and falsifying Oil Record Books;
- violations of requirements for the handling of ozone-depleting substances such as Freon and for record keeping;
- incorrect and illegal discharges of hazardous wastes by ships such as the discharge of perchlorethylene in engine bilge, a chemical used for de-greasing and for dry-cleaning that, among other things, attacks the nervous system and causes cancer;
- dumping of oil residue into unlined sand pits from a drydock and the disposal of removed TBT bottom paint into unlined landfills in developing countries;
- operation of drains from infirmaries as grey water instead of sewage as per MARPOL; and
- discharge of plastics from pulpers into the seas.

US CORPORATE REFORM LEGISLATION

On July 30, 2002, the President of the United States signed into law the Sarbanes-Oxley Act of 2002 which includes the Corporate and Criminal Fraud Accountability Act of 2002 and the White Collar Crime Penalty Enhancements of 2002. This affects the major cruise corporations with securities under the federal securities law including their directors, officers, employees, and their auditors. These Acts provide for fines and imprisonment for up to 20 years anyone for who knowingly alters, destroys, mutilates, conceals, covers up, falsifies or makes a false entry in any record or document with the intent to impede, obstruct, or influence the investigation or administration of any matter within the jurisdiction of any US federal department or agency, and that any person who attempts or conspires to commit criminal securities fraud will be subject to the same penalties as those prescribed for the underlying offense. These measures also apply to attorneys that must report evidence of a material violation of securities law or breach of fiduciary duty or similar violation by the issuer or any agent of the issuer to the issuer's chief legal counsel or CEO, and if the counsel or CEO does not appropriately respond to the evidence by adopting appropriate remedial measures or sanctions, requiring the attorney to report the evidence to the audit committee, to another committee comprised solely of directors not employed by the issuer, or to the board of directors.

This corporate reform legislation is complementary to the US federal False Statements Act that applies to every matter within the jurisdiction of every executive, legislative and judicial agency of the US government, making it a crime to knowingly and wilfully falsify, conceal or cover up by any trick,

scheme or device any material fact; to make any materially false, fictitious, or fraudulent statement or representation; or to make or use any false writing or document knowing the same to contain any materially false, fictitious or fraudulent statement or entry.

- **Environmental auditing functions.** To what extent might shareholder value be at risk when major cruise corporations are becoming subject to greater scrutiny by US federal regulators on matters that could relate to their environmental auditing functions? Because of this increased scrutiny and liability, do shareholders have the right to know and access the contents of internal “corporate audit report information systems” that might log identified issues, describe identified issues, the risk involved, agreed upon action plans, completion dates, risk ratings, and cost? Does absent, incomplete or inaccurate corporate auditing record keeping indicate a lack of commitment to comply with legal obligations?
- **Application beyond the U.S.** Is it only shareholders who should have access to corporate audit report information systems because they are not the only stakeholders who would be negatively affected by potential U.S. federal criminal investigations or prosecutions? Should other nations that are economically tied to cruise corporate revenues also have a right to access this information, because their economic and political interests would be affected by specific representations by cruise industry associations and their corporate members on the findings of their audits? If cruise corporations were found not to be accurately disclosing audit findings to other nations where cruise corporations operate, are there compelling reasons that citizens of the world should be calling upon their own governments to make these U.S. domestic laws normative within the international community?
- **Right to know.** To what extent would U.S. domestic law on truthful representations of auditing functions provide normative content to the international application of the Aarhus Convention? To what extent does the international community need to “catch up” on the normative conceptualization of the individual’s right to know on environmental impact matters when there is a compelling domestic precedent in the U.S. in response to demonstrated irresponsibility in corporate reporting processes? How are cruise corporations to respond to U.S. domestic legislation on accurate reporting of audits, while also keeping in mind that this regulatory precedent could provide for normative impetus internationally to set up corresponding intrusive command and control mechanisms?
- **Felonies.** Major cruise corporations have pled guilty to U.S. felony pollution counts resulting in multi-million dollar fines (see Appendix I). Recently, a federal grand jury has issued subpoenas to officers aboard a Holland America cruise ship in connection to the alleged illegal dumping of about 40,000 gallons of waste water into Juneau harbour on August 17, 2002. It is important to note that Holland America’s credibility has been further tarnished by the fact that they had attempted to diminish the amount of sewage released by reporting that only 260 gallons went overboard. The cruise sector has long been allowed to float spurious claims more often than not unchallenged in the media. These claims run from the economic benefit to locals to minimal environmental footprint of their operations. In light of these developments in the rigorous application of MARPOL via U.S. federal law, to what extent do these recent felonies indicate that consideration of environmental auditing processes should also include consideration of the corporate responsibilities

that rest with decision-makers of the corporation? To what extent is the information contained within corporate environmental auditing processes material to securities regulation? If there are indications of public misrepresentations on environmental performance in one jurisdiction, what are the implications for other states or provinces within that jurisdiction, or to other international state jurisdictions that comprise part of the cruise corporation's market? Do we have access to verifiable information that practices have actually changed since pleading guilty?

- **Executive responsibility.** How should international norms develop to take into consideration the identification of CEOs, CFOs, auditors, directors, officers, and employees as individually liable for misrepresentations in auditing processes? Should international norms specify liability for misrepresentations that evidence knowingly perpetrating harmful environmental and social consequences through audits of transnational operations? Is there a precedent set by the rigorous approach taken by the U.S. domestic jurisdiction that should inform how international cooperative efforts needed to consider corresponding rigorous efforts for “diffuse” corporate actions that span the global economy, for example, in the case of cruise corporations headquartered in one country, incorporated in another, and registering their ships in yet another jurisdiction?
- **Balance sheets.** To what extent are stakeholders capable of discerning from quarterly reports indicating “cruise corporate cost cutting” whether disclosure of auditing reports might suggest cost cutting measures contrary to corporations’ international legal obligations such as the proper use of ship based technology, shore side waste management, or safe ship design? To what extent would corporate budgets for environmental and safety compliance measures reveal a drive for ever-tighter margins for profit, and senior management justification through classification society and flag register’s acquiescence to the cuts? How are criminal penalties accounted for as a cost of doing business?
- **Classification societies as auditors and consultants.** If a cruise corporation is found to have misrepresented to U.S. federal authorities its audit findings, does there need to be a corresponding investigation that the corresponding classification society responsible for certification, surveys and consulting services to that corporation to find if the classification society has been lacking in the carrying out of its duties?
- **Environmental due diligence.** Environmental due diligence in stock or asset purchase transactions have the potential to extend the potential liabilities for cruise corporations, and might be relevant within the context of current merger negotiations. To what extent would notions of environmental due diligence be transferable to “transactions” between cruise destinations and cruise corporations where domestic jurisdictions might have an obligation to conduct a thorough environmental compliance assessment looking at any prior violations and potential future civil and criminal violations? Are shareholders and stakeholder entitled to access internal compliance assessment?
- **Cruise industry codes of conduct.** Where are the International Council of Cruise Line’s voluntary code and MOUs silent on critical waste streams subject to international environmental laws such as MARPOL and the ISM Code? Does the voluntary code address human waste from infirmaries being properly linked to black

water treatment rather than grey water treatment? Does the voluntary code address the issue of plastics being fed into food pulpers and being discharged at sea as part of food waste? Does the voluntary code address the matter of dumping sludge concentrate? To what extent would this silence indicate corporate good faith and intention to voluntarily comply with domestic and international environmental laws? To what extent would individual cruise lines or the association be civilly liable within a domestic court for any misrepresentations of compliance with a voluntary industry code of conduct, or the failure to expel recidivist polluters from ICCL membership? To what extent should the international community cooperate to address flagrant and repeated misrepresentations about compliance with a corporate voluntary code of conduct?

CORPORATE GIANTS OR CORPORATE GREATNESS?

The price of greatness is responsibility. – Sir Winston Churchill

As corporate giants, the major cruise corporations are reporting extraordinarily high profits; the cruise market is exponentially expanding worldwide; the major cruise corporations plan to merge “monopolistically”; and top cruise corporate executives enjoy obscene wealth in contrast to their employees from developing nations.

However, if there are any lessons that we are to learn from the current climate of corporate scandals and investor loss of faith, the lesson should be that corporate giants can fall where they lack in corporate greatness. Where corporate giants used to be celebrated for creating short-term profits below the radar of regulators and shareholders, corporate giants are now pilloried when it becomes transparent that they have violated the public’s trust and dishonoured their corporate responsibilities. Corporate greatness is evidenced when it is clear that a business is run according to aspirations to achieve the highest ethical, moral and legal standards, rather than according to what they can get away with.

Corporations face serious risks to shareholder value if they are perceived to be responsible for or complicit in violation of environmental and social justice issues under international law. From the investment community’s point of view, social risk is very often linked to financial risk. It is important that corporations maintain and enhance their credibility and reputation by mitigating and remedying their risks to shareholder value. There are multiple paths to maintaining and enhancing corporate credibility.

Likewise, the member cruise lines of the International Council of Cruise Lines (ICCL), the largest cruise industry lobby group, would face a number of risks to shareholder value if they were perceived to be responsible for or complicit in environmental or human rights violations. Stakeholders are increasingly “blowing the whistle” on what they consider to be cruise lines’ responsibility for or complicity in environmental or human rights violations. Cruise corporations should cease from “managing” stakeholders through public and governmental relations by cruise industry lobbying associations like the ICCL because this decreases cruise corporations’ credibility and raises the potential risks to shareholder value. Cruise corporations’ cooperative and active engagement with stakeholders in certification and independent third party verification would increase their credibility and reduce the potential risks to shareholder value.

As stated by Sir Winston Churchill, the price of greatness is responsibility. Responsibility for shareholder value is only one part of the price of greatness, since it is becoming increasingly apparent that shareholder value is intrinsically tied to much wider issues of environmental and social justice, and corresponding responsibilities under international law. Cruise corporate responsibility is not an abstract legal construct to stakeholders who are becoming aware of how decisions made in a corporate boardroom could have an effect on their day to day lives.

What are the potential consequences of not aspiring to greatness? Companies that experience great public turmoil can find that goodwill and their brand value can evaporate overnight.

SAILING TOWARDS DISASTER?

At one time there were more people asleep on boats on the Great Lakes than on any other ocean of the world. – Harry J. Wolf, Marine Historian

Can stakeholders have confidence that the corporate complacency and gaps in regulatory accountability that contributed to the closing of a robust cruise industry in the Great Lakes during the mid-twentieth century has no place in the modern cruise industry?

The great fire of the S.S. Noronic in Toronto, Canada on September 17, 1949 with a terrible death toll of 118, provides a lesson on how corporate complacency can lead to the poisoning of the cruise myth brand, and the close of a thriving cruise market. The Great Lakes in the 20's and 30's sustained a robust and vibrant cruise market such that it is said "at one time there were more people asleep on boats on the Great Lakes than on any other ocean of the world". However, the era of associating romance and luxury with cruising on the Great Lakes came to a close with the S.S. Noronic disaster when the public instead began to associate fear with cruising.

On the S.S. Noronic disaster, the Court of Inquiry stated that "... no one in a responsible position in connection with the ship, either on the ship, or ashore, had applied his mind in any serious way to the handling of situation such as arose on the outbreak of fire on the night in question, although such an eventuality cannot be considered otherwise than one which might occur at any time. Moreover, complete complacency had descended upon both the ship's officers and the management. ... [the] loss of the S.S. Noronic and the loss of life were caused by wrongful default of the owners and the master."

As the shortcomings in corporate accountability for safety surrounding the S.S. Noronic acted as a "bell-buoy" or warning for the sustainability of that mid-twentieth century cruise market, to what extent might there be shortcomings in corporate accountability for safety surrounding the modern cruise industry that might act as a "bell-buoy" for the current cruise market?

One of the lessons of the current climate of corporate scandal is that a broken line of accountability around one area of ethics such as the environment, human rights or safety often indicates broken lines of accountability around other areas of ethics such as corporate governance and accounting. Arguably, the web of international law that is intended to catch cruise corporations' violations of environment, labour, and safety standards have failed to progress much beyond the international legislative reforms that were propelled from the S.S. Noronic disaster.

The crashes of Enron and WorldCom, and irregularities at many other companies have reinvigorated the debate over regulating corporate governance. Given the current climate of public scrutiny of corporate behaviour, the time is opportune to ask whether the cruise industry is sailing towards its own major disaster.

Are those who are responsible in connection with the cruise industry, either on the ship or at headquarters and classification societies (those who certify seaworthiness), applying themselves in any serious way to the handling of situations such as responsible fiscal and operational commitment to meet environmental, social and safety legal obligations? Are we in a situation where complete complacency has descended upon ship's officers and management such that an environmental, social, economic or safety disaster would be caused by wrongful default of the owners and the master?

Oceans Blue Foundation proposes stakeholder based vessel certification as the preferred path to credibility for the cruise industry in conjunction with the rigorous application of corporate reform and environmental legislative regimes. No one wants an environmental or safety disaster or a backlash from an informed public where the cruise tourism industry collapses from corporate executive hubris. Regulatory authorities are not blameless. Stakeholders believe that the cruise industry is not held accountable for environmental and human rights violations, and the regulatory and corporate mechanisms intended to hold cruise corporations accountable are broken.

BREAK DOWNS IN ACCOUNTABILITY

Drive thy business or it will drive thee. – Benjamin Franklin

Can stakeholders have confidence that the current lines of accountability for the cruise industry are effectively setting out the price of responsibility, rather than permitting the cruise industry's pursuit of ever higher profit margins to drive itself out of business? Conspicuous by their absence in any of the programs administered by classification societies or proposed by the cruise industry are transparency and the exchange of information. Transparency and the effective exchange of information in process, performance, and improvement coupled with effective universally applied standards and controls, would help restore the confidence and trust that unexamined "self regulation" threatens to destroy.

The lines of accountability around the cruise industry are complex, partly due to its quintessence as the penultimate expression of globalization: ships built in Italy, France and Finland; controlled by Greeks, Israelis, and Norwegians; registered in Panama and Liberia; classed by UK Lloyds and Italian RINA; managed by U.S. corporate marketing; crewed by over seventy different nationalities carrying predominantly American guests; and discharging waste based on a lowest common denominator standard developed by the International Maritime Organization (IMO). The standards developed by the IMO are consensus in nature and apply to tankers, bulkers, and cruise ships. In affect, the cruise ship carrying thousands is being held to the same minimal standard as a tanker carrying eighteen people.

OPAQUE LAWS AND CLEARER WATERS

Many cruise ship operators complain incessantly of excessive regulation. Regulatory and semi-regulatory authorities contend that there is sufficient regulation, and that the industry is awash in

reports and inspections. However, existing regulatory and statutory schemes evidence that many of these redundant inspections are carried out by the same organizations that act on behalf of flag administrations, owners and in some cases on behalf of Port State Authorities. Indeed, many of these paper chasing self regulatory exercises are an industry response to the public's charge that the existing regulatory mechanisms have failed to identify issues and weed out substandard operators.

The cruise industry is structured so that individual ship operators have an immense amount of freedom of choice. Operators have almost unlimited freedom of choice when selecting Flag Registers, Class Societies, Insurers and external auditors. Operators can therefore choose to operate to a high standard or the minimum required by SOLAS, MARPOL (Protocol of 1978 Relating to the International Convention for the Prevention of Pollution from Ships, 1973), and administered by Classification Societies.

This freedom of choice gives full expression to corporate cost-cutting to produce ever-increasing profit margins. The cost savings are often short-sighted and short-term responses, which often increase the risk of a significant incident.

The designated person (DP) is a position mandated by the IMO's International Safety Management (ISM) code. By law, the DP is responsible for ensuring that the ships have the resources necessary to operate in a safe and environmentally sound manner. In large part, the cuts are justified to senior management because both Class and Flag Registers tend to acquiesce to cuts.

For a system to be effective it must also have penalties as deterrence. Recent cruise environmental penalties have been accepted by the cruise industry as just a cost of doing business. These penalties must be fairly applied to all of those involved in the chain of responsibility including Operators, Class, and Insurers. To date, Class and Insurers have exerted little pressure on the cruise industry to perform to a higher standard than the minimum required by SOLAS. It appears that the cruise industry's freedom of choice has silenced Class and the Insurer's traditional role of gatekeeper to acceptable operations.

Arguably, the freedom of mobility of the modern cruise market has allowed cruise ship owners to respond rapidly to market forces. In an economic downturn as in an ebbing tide, all boats need to tend their lines and moorings. During the current economic downturn, the cruise industry has masterfully played the game of musical "Flags of Convenience" for their registration, looking for operating cost savings in lax safety, environment and labour enforcement or tax incentives through flag register changes. The need to examine the corporate responsibility and accountability of the cruise industry is as relevant today as it was post-S.S. Noronic, if not more so, with the scale of passengers' lives, investors' savings, peoples' livelihoods and health, and ecosystems all over the world at stake.

MATTERS OF ENVIRONMENTAL JUSTICE

The time is always right to do what is right. – Martin Luther King Jr.

CONSERVATION ORGANIZATIONS

A growing number of conservation organizations are advocating for environmental justice under domestic and international law. Examples of conservation organizations' perspectives on

environmental justice include Oceans Conservancy's "Cruise Control" May 2002; West Coast Environmental Law's "Cruise Control – Regulating Cruise Ship Pollution on the Western Coast of Canada", September 2001; and Bluewater Network's "Cruising for Trouble: Stemming the Tide of Cruise Ship Pollution" March 2000.

Conservation organizations are increasingly turning to litigation to make their points on environmental justice. For example, Bluewater Network, Environmental Law Foundation, San Diego BayKeeper and Surfrider Foundation filed a lawsuit seeking to stop luxury liners from violating California state law when discharging untreated ballast water into state waters. The groups claim that cruise ships entering state waters from Mexico, Canada and other distant ports routinely ignore mandatory ballast water treatment in order to cut costs.

Ballast water is seawater pumped into the bottom of ships to ensure stability at sea, and discharged as needed in coastal waters or ports before loading cargo and/or passengers. Cruise ships can carry many tens of thousands of gallons of ballast water, potentially containing harmful exotic species which could propagate an invasive epidemic with even a small discharge during a ship visitation. Ballast water is the single largest source of aquatic species found in California ports and adjacent waters. Such discharges release exotic aquatic marine life that can invade local marine ecosystems and out compete and displace native species.

Drawing on records from the California State Lands Commission the environmental groups' lawsuit claims that two out of three visits by ships owned by Carnival Cruises, Holland America, Princess and Royal Caribbean that dock in Los Angeles, San Francisco or San Diego violate a ballast water law passed in 2000.

This ballast water case could very well be the tip of the iceberg in future litigation by conservation groups, thereby exposing cruise corporations to greater risk to their shareholder value. Other potential future litigation might draw upon the following non-exhaustive and non-comprehensive list of issues from which a significant proportion of the legal obligations are provided by MARPOL:

- **Hazardous Waste.** Are hazardous wastes properly stored, labelled, and placarded, and are records maintained and manifests completed for potential hazardous waste streams including: silver bearing photo processing waste, print shop waste, used paints and thinners, fluorescent/mercury vapour bulbs, batteries (nickel cadmium, lead acid, lithium, alkaline), pharmaceuticals/narcotics, bio-medical waste, dry cleaning waste (PERC), and cleaning solutions (de-scalers, acids, bases)? Are extraordinarily hazardous substances onboard and, if so, are properly reported? Does the management of hazardous waste trigger in some sense the provisions of the *Basil Convention* in that cruise corporations might dump hazardous wastes shore side without adequate environmental provision in that country e.g. unlined landfills? To what extent might hazardous wastes be found in unusual waste streams such as PERCs in ballast water or bio-medical waste in grey water? Are hazardous wastes being unlawfully incinerated? Are incinerators run in port, and the ash profiled?
- **Air Emissions.** What is the total hydrocarbon based emissions, and the amount of fuel purchased annualized? What are the levels of SO_x, NO_x, CO₂, refrigerants, and firefighting substances such as halon that are being emitted? What is the cfc consumption as measured by the amount of cfc purchased by fleet and ship including cleaners and Freon type refrigerants? Does Freon consumption in comparison to capacity indicate contravention of the *Vienna Convention* and *Montreal*

Protocols? What is the type of paint used, the quantity of paint consumed, and the voc content of the paint? Is there a gas turbine that pumps out 70% more air emissions than diesel? What is the quality of the bunker oil being purchased? Given the recent U.S. EPA finding that diesel emissions are carcinogenic, should ships be permitted to emit in port?

- **Grey Water System.** What are the sources of the grey water system? Does it include the galley, showers/baths & washbasin drains and laundry? Are there prohibited sources in the grey water system such as plastics from the galley food pulpers, bio-medical waste from the infirmaries, bilges, etc? What are the sampling results of full waste stream toxicity?
- **Ballast Water System.** What is the management plan of the ballast water system: at sea exchange, non-release/minimum release, discharge to reception facilities, shipboard treatment? Are there internal reports or records that might record the presence of invasive alien species on ships including documentation of clogging of intakes or video-tapes? What sensitive habitats or species may be prejudicially affected by ongoing releases?
- **Black Water Sewage System.** What are the sources of the black water system? Are systems installed, maintained and operated in accordance with approved plans and modifications documented such as tank capacity, volume produced, chemical/biological treatment, and operating instructions? Is there a sludge concentrate produced, and how is it disposed of? What are the toxicity results of sampling?
- **Bilge Water System.** Does the bilge suction piping match the approved piping diagram? Does the operational test of the oily water separator indicate published ranges? Does the ship's operational maintenance routine compare with actual preventative maintenance conducted? Is there proof and documentation of maintenance completed such as receipts of service, technician reports, and contractor disposal records? Are used consumables from the oily water separator properly labelled, stored, and disposed? How are the fuel/lube oil fill and sludge discharge containment? Are there prohibited oil spaces? What is the condition of the oil transfer hoses, and results of tests and inspections? Are there prohibited chemicals such as asbestos, solvents, degreasers, engine coolants, paints, etc. in the bilge water?
- **Garbage Management Procedures.** Are there no plastics or synthetics discharged overboard? Are wastes sorted to prevent hazardous waste entering non-hazardous waste stream or incinerated e.g. no paints or batteries incinerated? Is incinerator ash free of plastic residue if discharged overboard, or free of unburned food wastes if landed ashore? Are medical wastes incinerated or manifested as bio-hazardous waste? With municipal solid waste, how much is discharged to sea as ash, and have tests been conducted on its composition?
- **Preventative Measures.** Is there booming of transfer points during all over water transfer of oil/oily water/sludge? Is there rigging of containment tarps? Do the stabilizers have seals that prevent the leaking of oils as evidenced by its consumption records? Is there dry docking undertaken in a timely fashion for serious mishaps or malfunctions i.e. thruster seal leaks?

- **Ecological Sensitivity to Accumulating Volumes of Pollution.** What are cruise corporations' own internal estimates of the actual wastes generated ship and shore side, as manifested in their auditing reports and ship design specs? What are the potential long-term environmental implications for marine ecosystems when the waste generated per ship is multiplied exponentially by the number of ships that discharge in that area over decades of cumulative loading? Does the East Coast of Canada, the Caribbean, Monterey Bay or other areas have ecologically unique habitats or species at risk that are particularly vulnerable to accumulative dumping of pollutants in sensitive coastal environments? If a cruise corporation represents that its ship will not discharge within a marine protected area or national marine sanctuary, are its ships capable of delivering on this promise? Is the *Convention on Biodiversity* triggered in any respect on how accumulating volumes of cruise pollution might be affecting bio-diversity e.g. coral reefs dying due to the possible introduction of human pathogens from black and grey water, invasive species from ballast water, and chemical contaminants from bilge water?
- **Superfund of the Seas.** Is it a foreseeable consequence that cruise corporations could become liable under the US Comprehensive Environmental Response, Compensation and Liability Act or the US Alien Tort Claims Act to pay remedial and punitive damages for violating international environmental laws in U.S. domestic and extra-jurisdictional waters?

MATTERS OF SOCIAL JUSTICE

COASTAL AND ABORIGINAL COMMUNITIES, AND CRUISE SHIP LABORERS

The ICCL submission entitled "The Tourism Industry Report for the World Summit on Sustainable Development, Johannesburg, August 2002" claimed that the cruise industry was fundamentally a socially just industry. To the contrary, diverse constituencies of stakeholders would argue that the cruise industry violates a number of established and emerging norms of international economic, social and cultural rights, and integral civil and political rights. Denying that matters of social justice must be addressed and remedied by the cruise industry would be to invite social unrest in coastal and aboriginal communities, and issues of security from a workforce highly responsible for environmental, health, and safety matters but poorly compensated and with few labour rights in return. These potential forms of social risks translate into risks to shareholder value:

- **Local economic benefit.** According to Article 1 of the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, "in no case may a people be deprived of its own means of subsistence". Stakeholders in Xcaret, Mexico have expressed concern that cruise terminal development would deprive the local tourism providers of tourism dollars as food and accommodation revenues would go off-shore, and decimate the local character of the area and its nearby coral reefs that draw foreign tourism dollars. Stakeholders in the U.S. express concerns about foreign cruise corporations receiving exemptions from U.S. taxation under the Internal Revenue Code.
- **Best available technology.** Article 15(1)(b) of the International Covenant on Economic, Social and Cultural rights provides that everyone has the right "to enjoy the benefits of scientific progress and its applications". However,

stakeholders have noted that best available technology is not being retrofitted on existing ships, or designed into new ships (new builds). Moreover, best available technology is often selectively placed on a few showcase ships for marketing purposes, but are not placed on its sister ships or other routes. Stakeholders might observe that some of the least technologically advanced ships with the lowest environmental performance are routed to the Caribbean, South America or Europe. In contrast, showcase ships tended to be routed in areas of high public backlash and regulatory oversight e.g. Alaska. Furthermore, this best available technology is affordable e.g. a \$1.5 million marine sanitation device retrofitted on a cruise ship may be amortized for 20 years as a capital expenditure. Also, to what extent are cruise corporations and regulatory authorities identifying regional environmental innovations such as the Baltic program on air emission targets tied to head tax exemptions and the proposed Hamburg environmental and safety levy that are transferable to other jurisdictions?

- **Fair work conditions.** Article 8 of the International Covenant on Economic, Social and Cultural Rights and Article 22 of the International Covenant on Civil and Political Rights provides for freedom of association, including the right to form and join trade unions for the protection of his or her interests. Article 7 of the International Covenant on Economic, Social and Cultural Rights provides for the right of everyone to enjoy just and favourable conditions of work including remuneration which provides as a minimum with fair wages and equal remuneration for work of equal value; a decent living for themselves and their families; safe and healthy working conditions; equal opportunity for all; and rest, leisure and reasonable limitation of working hours and periodic holidays with pay as well as remuneration for public holidays. Article 9 of the International Covenant on Economic, Social and Cultural Rights recognizes the right for everyone to social security, including social insurance, a benefit not provided to the ordinary cruise ship worker as a contribution from their employer. Freedom of association and the right to organize and bargain collectively are provided by the International Labour Organization's Freedom of Association and Protection of the Right to Organize Convention, 1948 (no.87) and the Right to Organize and Collective Bargaining Convention, 1949 (no.98). The International Transport Workers Federation and the UK pressure group War on Want have spearheaded a campaign highlighting conditions for workers on cruise ships, and have accused some luxury liners of running 'sweatships' in their report "Sweatships: what it's really like to work on board cruise ships" that clearly outline violations of these provisions. The nature of the ILO violations documented by ITF and War on Want raises the issues of whether Article 8 of the International Covenant on Civil and Political Rights might be applicable in that no one shall be held in servitude. To what extent are countries complicit in these exploitative work relationships on cruise ships by failing to take enforcement action when cruise ships enter their jurisdiction?
- **Healthful work conditions.** Article 12 of the International Covenant on Economic, Social and Cultural Rights provides for the improvement of all aspects of environmental and industrial hygiene; the prevention, treatment and control of epidemic; endemic occupational and other diseases; and the creation of conditions which would assure to all medical service and medical attention in the event of sickness. A novel indicator of this provision might be to conduct a

survey of cruise lines to determine which cruise lines provide their cruise ship workers with access to free prophylactics for the prevention of communicable sexual disease. To what extent are cruise ship workers required to receive free vaccinations and to don safety clothing to maintain human waste systems filters and guard against general ship board disease outreach?

- **Racial discrimination.** Articles 2 of the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, provide for non-discrimination on the basis of race. Article 3 of the International Convention on the Elimination of All Forms of Racial Discrimination particularly condemns racial segregation; a general comment notes that a condition of partial segregation may also arise as an unintended by-product of the actions of private persons. Articles 3 of the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, provide for non-discrimination on the basis of gender. The ITF and War on Want note that you can pretty much determine who works where on board some cruise ships, and what wages they get by their gender and nationality/skin color. Cruise ship workers often face inequitable risks to environmental harms to their health, such as Indonesian crew members handling hazardous materials and Chinese laundry workers being exposed to difficult work conditions.
- **Aboriginal Coastal Communities.** International Labour Organization Convention (no. 169) Concerning Indigenous and Tribal Peoples in Independent Countries provide for the special importance for the cultures and spiritual values of the peoples concerned of their relationship with the lands or territories which they occupy or otherwise use, and that the rights of the people concerned to the natural resources pertaining to their land shall be specially safeguarded. This international norm raises the issue of whether the economic, environmental and social concerns of aboriginal peoples such as Yakutat in Alaska might be generalized to all indigenous peoples around the world who hold rights to the lands and resources along cruise ship routes, and how their rights might be best asserted and in turn respected by the cruise industry.

THE NECESSITY OF STAKEHOLDER INVOLVEMENT TO RAISE THE BAR

Are command and control approaches sufficient to address the entire issue of deterrence of cruise industry substandard performance? What form of institutional innovation is necessary when current international legislative regimes fail to achieve adequate cruise corporate accountability?

The current international command and control regime has an inadequate capacity for international norm development and enforcement.

Inadequate international norm development capacity

The United Nations Law of the Sea Convention established the IMO in 1948. The intent was for the IMO to develop the infrastructure of conventions, rules, and guidelines with which to regulate the world's merchant fleets. In the last ten years in response to accidents, incidents, and the public's outcry for more stringent regulations, the IMO has developed and implemented two pieces of

legislation that were to eliminate substandard operators. The two conventions, the International Safety Management Code (ISM) and the Standards for Training and Certification of Watch Standards (STCW) were the brave new standards that the IMO had hoped would stave off calls for further national and local legislation.

Unfortunately the IMO is a hostage of its membership voting rights, ratification process and a lack of sanctions for failure to enforce ratified conventions. In short, if the few powerful open registers refuse to ratify a new rule, code or enhanced version of an old code, there is little that a proposing or sponsoring state can do. Moreover, if the powerful few open registers see political expediency in the passage of seemingly sweeping proposals like the ISM code and STCW standards, the powerful three open registers of Panama, Bahamas and Liberia know that, at the end of the day, if they do not apply and enforce the standard, there is very little the international community can and will do.

If existing international legal regimes are impotent to motivate the cruise industry to embrace innovation and leadership, it is necessary to look at alternate means of spurring cruise industry innovation and leadership through the participation and involvement of stakeholders that do not have conflicts of interests in promoting excellence in environmental, social and safety performance. If the international community sets its sight so low on what is expected of the cruise industry, stakeholders must be given access to decision-making processes to raise the bar.

Inadequate international norm enforcement capacity

If the IMO is to international shipping what the United Nations General Assembly is to world affairs; the role of enforcement and implementation falls to the Flag State. In light of the fact that over the last twenty years the number of ships in open registers has doubled, the Flag Administrations which have benefited from this fleet expansion have done little to develop the infrastructure necessary to handle the expansion. This lack of infrastructure and follow up was again highlighted in the US General Accounting Office report “MARINE POLLUTION: Progress Made to Reduce Marine Pollution by Cruise Ships, but Important Issues Remain”, February 2000, on cruise ship environmental incidents. Based on the information the GAO reported, there was little evidence that the large open registers have effectively followed up on the many reported violations forwarded to their offices by port state control authorities.

The open registers’ answer to public criticisms of their lax enforcement of agreed upon conventions and to the lack of infrastructure with which to handle the fleet expansion has been to out source the traditional flag responsibilities. The inspection and review processes that were long the domain of the Flag administration has in many cases been outsourced to classification societies, private companies that undertake ship surveys within the current model of self-regulation.

Classification societies’ conflicts of interests

Classification societies have played a significant role in the development of modern shipping and marine insurance. From its early establishment, classification societies have been a risk management consultancy used by insurers to rate ships in lieu of universally accepted and applied standards. Classification societies have been seen as an independent gate keeper and neutral third parties. Over the last three hundred years, classification societies have expanded its role until today classification societies are much like a doctor, attending the birth, life and death of a classed ship. What has changed over the last several decades is the cutthroat nature of the classification business.

Classification societies are in business to make money. Classification societies compete for business like any other business by developing and selling new products and managing existing clients and services.

Classification societies establish standards, consult on their implementation, interpret rules and audit both function and performance. Classification societies have also assumed many of the duties of the Flag Administration, in this regard class surveyors review cruise ships annually to certify the Passenger Ship Safety Certificate. Alternately, under the ISM code, classification societies audit the ship every two years to evaluate conformance with the Safety Management System. In many instances, classification society surveyors and auditors are the same people.

Further, classification societies are often called on to interpret rules, and sanction the continued operation of a piece of equipment or system, and evaluate short or long term repairs. In fact, some classification societies, at the behest of several cruise operators and on behalf of their Flag, have written numerous letters of exemption allowing the cruise operators to operate outside of established SOLAS requirements.

The commercial pressure on the surveyor to sanction the operators' work is intense. Surveyors fear that the cruise sector operator is on a first name basis with the classification societies principals, (in one case, a Senior VP from one of the lines was a classification society board member), and that to detain or slow a cruise ship is tantamount to career suicide.

Of particular concern within this swamp of conflicts that the classification societies have eagerly embraced in their attempts for commercial dominance is that the classification societies and their surveyors are relatively unregulated. The authority to sanction operations is not conferred by any State, but by the classification society itself. No State mandates a formal licensing test akin to the Professional Engineers Exam, with mandatory continuing education for surveyors; there is no state licensing requirement for classification society surveyors to undergo in order to conduct inspections of elevators; waste water treatment plants; infirmaries; restaurants; etc. In fact, the classification societies themselves have not standardized the requirements for surveyors.

Classification society surveyors are often looked to as the final arbiter on most of the technical issues aboard for issues as disparate as boiler operation, elevator maintenance, temporary and permanent hull repair or the number of lookouts the ship should have on watch. Operators know that the first step in cutting corners and costs is to ensure that the classification society surveyor is in agreement with the plan. In the event that classification society sanctioned measures contribute to a loss, his insurer will cover the operator for the loss.

A classification society surveyor who sanctions a cruise ship's departure from a home port despite hundreds of soft patches on its sprinkler system; or having only one fire pump available on the emergency switch board, has little regard for safety and even less liability. Through these acts, some classification societies have sent a clear signal that they are willing accomplices of the lowest standard operator. In many instances, the surveyor often gives the go ahead without inspecting the system, reviewing the repair, or ever going to the ship.

Who is minding the ship?

*Insanity: doing the same thing over and over again and expecting different results. – **Albert Einstein (attributed)***

Cruise industry lobby associations represent that the current domestic and international environmental legal regimes are adequate to provide sufficient oversight and protection of the environment, while often stating in the same breath that they are subject to numerous legal regimes that are too complicated, onerous, and excessive. International Council of Cruise Lines (ICCL) member lines plead guilty to US felony pollution accounts and remain vulnerable to the risk of additional Department of Justice districts' investigative scrutiny, yet the ICCL still upholds their claim of the effectiveness of its voluntary code of cruise industry waste management practices procedures. Cruise lines mobilize association lobbyists and lawyers to develop memoranda of understanding with jurisdictions such as Canada and the State of Hawaii, when the original spirit of the intent of the Florida Memorandum of Understanding to achieve wider environmental protection through identification of waste streams and acceptable methods has been lost.

As Albert Einstein might observe, it would appear to be collective insanity on the part of the cruise industry to continue to try to shield itself with its stated preference for command and control laws, industry-based voluntary codes, and MOUs, and to expect different results than increased exposure to potential criminal and civil liabilities.

With Class' conflicts of interest in the enforcement of environmental and safety performance, it begs the question of who is really minding the ship? Do stakeholders have a valid claim to their argument that cruise corporations have been able to be complacent in their environmental and social performance because of analogous breakdowns of third-party independent auditing as observed in the example of Enron and Arthur Anderson?

If so, what should be the response of stakeholders and the international community? Do we take the road proposed by the cruise industry, to take the path of command and control, and if so, should U.S. corporate reform legislation be a model for the reforms needed today for the oversight of the cruise industry?

By taking this more rigorous path, are we only addressing the enforcement side of the picture? Do we not also need to have an effective, international institutional response to the glaring lack of international cooperation in the establishment of the environmental and social norms or benchmarks that the cruise industry is capable of achieving? As the international community, by which stars do we want to have the cruise industry navigate by?

When we talk about who is minding the ship, we must talk about cruise executives' responsibility and accountability for a corporation's behaviour, and effective enforcement. However, it is equally important to talk about the international environmental and human rights norms that are behind stakeholders' demands for environmental and social justice in the cruise industry, as a ship must not only be navigated to avoid icebergs, but toward a destination. Stakeholders can be harsh critics, but they can also be cooperative partners in minding the ship away from icebergs, kindly blowing the whistle, if you will, to bring attention to foreseeable hazards. Enforcement in a robust international command and control regime needs to go hand in hand with normative development and voluntary third party verification under a stakeholder based certification program.

THE WAY FORWARD TO CRUISE CERTIFICATION

The great thing in this world is not so much where you stand, as in what direction you are moving
– **Oliver Wendell Holmes**

Certification would guarantee on behalf of the public and stakeholders that cruise ships are meeting rigorous environmental and social standards. The process of certification confirms formally the truth, accuracy, and genuineness of cruise corporations' performance, a function particularly needed in light of major cruise corporations having pled guilty to U.S. felony pollution counts resulting in multi-million dollar fines, and the systemic breakdown in accountability because cruise auditors', or Classification Societies, have conflicts of interests. Stakeholder-based certification has been successfully implemented in other industries such as forestry under the Forest Stewardship Council and fisheries under the Marine Stewardship Council.

Voluntary third party verification under a transparent and open stakeholder based vessel certification program encourages the progressive realization of environmental and social benchmarks. Using a holistic approach, which would account for international environmental and human rights standards, regional differences and market incentives, the development of a standardized environmental performance evaluation, environmental reporting format and verification can be realized in a short period of time.

An important first step in the process would be to understand the strengths of the present systems based on well-known financial accounting methods i.e. life cycle costing/analysis; total cost accounting and full cost accounting. There is an overlap between traditional financial accounting and the related environmental aspects. In order to begin the process, a set of agreed upon environmental performance indicators would be developed by the cruise lines and their stakeholders. The process would allow the parties to engage and address the qualitative and quantitative information that allows for a fair evaluation of performance.

Furthermore, the engagement would provide an opportunity for the cruise industry to demonstrate how effective and efficient the fleets are in the consumption and disposal of resources. Outcomes of the engagement would include:

- Adoption of the most appropriate measures of environmental protection and social benefit based on effectiveness, efficiency, and fairness;
- Effective definition of the expectations and responsibilities for the implementation of the agreed upon environmental and social performance indicators;
- Improvement and aid in the communication of environmental and social achievement;
- Encouragement of broad participation of senior management based on the financial impact inherent in environmental and social aspects.

A cruise corporation would gain significant commercial advantages from adopting vessel certification in collaboration with these concerned stakeholders as part of a comprehensive environmental and human rights policy that would have independent third-party verification. These advantages include:

- Enhanced corporate reputation and competitiveness;
- Improved employee recruitment and retention;
- Improved community relations; and
- Reduced risk of adverse publicity, divestment campaigns, and lawsuits.

The journey will require the participation of all stakeholders as the passage plan for accounting, accountability, verification, validation, and certification marketing and communications are framed. As in most journeys, there are hazards to be met and overcome. Essential to the success of the journey is the trust that all stakeholders have the same goals - sustaining the natural resources entrusted to us for the next generations, and contributing to a socially and environmentally just world that we would want our own children to enjoy.

A CONCLUDING PRECAUTIONARY TALE

The S.S. Noronic is a precautionary tale for the cruise industry about the very worst consequence, disastrous loss of life, when cruise corporate governance and accountability is ineffective. Lest we imagine that working with stakeholders on vessel certification and third party verification is too risky or hazardous to venture, let us consider to what extent the lessons of the S.S. Noronic might be relevant today. Safety issues are the most graphic examples of possible governance and accountability breakdown.

International shipping has for many years had an unenviable safety record. Underwriters' records indicate that over the past ten years an average of one hundred forty eight ships of 500 gross tons and above have been lost each year. Although the total losses in terms of tonnage have been reduced significantly when compared to the high losses suffered in the late eighties and early nineties, the total number of losses has remained fairly constant. These numbers suggest that the responsible owners of larger ships, bulkers and tankers, have embraced the call for serious safety reforms. The safety programs developed by knowledgeable marine professionals in the bulker and tanker trade, in conjunction with shore side safety and risk management professionals, has had a measurable impact.

For the cruise sector the pattern of losses including, accidents reported in the popular media, unreported accidents discussed behind closed door industry sessions, anecdotal evidence of unreported serious mishaps including repeated fires, loss of power, industrial deaths, and numerous near misses, highlights the shortcomings of both the existing regulations, regulatory oversight, safety initiatives and transparency of the process. In fact, the pattern of recent accidents clearly demonstrates the need for a new approach to safety reviews.

In spite of the International Council of Cruise Lines repeated public relations releases, the cruise industry is arguably one disaster away from repeating the tragedy of the Titanic or S.S. Noronic. In the case of Royal Caribbean's *Monarch of Seas* grounding on Proselyte Reef, there is evidence that the ship's two compartment design was inadequate, and had the ship not been immediately beached progressive flooding would have continued to the third, fourth and fifth compartments. This is just one of many near miss catastrophes - an accident which may involve significant damage but no loss of life - that either received no media attention in North America or ended up on page twelve.

A cruise ship is a ship by any other name

Cruise accidents when viewed as isolated occurrences may not seem alarming, however, when looked at collectively against the backdrop of a doubling of the cruise tonnage in the last five years, ever larger ships, expansion of itineraries to heavily trafficked ports, the shrinking pool of experienced trained mariners, and corporate initiatives for operational cost savings, the cruising public, travel professionals and port state stakeholders should be more than concerned, they should be asking what standard is being used to measure the performance of the cruise industry.

A review of the Paris Memorandum on Port State Control annual reports shows a consistent pattern of a high percentage of inspected ships being in such poor condition that they were detained. Based on the Paris report's statistics the total of detected deficiencies has also grown. One of the most often cited reasons for detention has been operational deficiency in key SOLAS (*International Convention for the Safety of Life at Sea, 1974*) safety areas regarding procedures and equipment.

Key to understanding the port state statistics is that the port state control authorities that participate in the Paris Memorandum (19 members) focus their efforts on the physical condition of the ship and the associated required certifications. A deeper issue is the human factor aspects of marine operations. Issues affecting the human factor can include staffing, training, communications, work hours, living conditions, personal safety and welfare. The impact of these human factors go far beyond simple morale, these issues will determine how a ship will perform during normal and emergency operations.

A review of the reports available from underwriters and port state authorities indicate wide and in many cases disturbing variations in safety standards and performance. The “accepted”, read minimal, standard for performance is readily apparent between ship owners, open registries, and classification societies. With regard to performance as measured by loss and detention, the available statistics point to some registers having tonnage loss up to four times the world average. In fact some of these open registers have port state detention rates close to fifty percent higher than is being experienced by the rest of the world's fleets.

Some of the world's largest open registers are implicated including Panama. Further compounding the issue is that those same registers control a significant portion of the world's tonnage, all tonnage, not just cruise tonnage. The implications become clearer when seen globally, the cruise sector is not only at risk from within but from other marine sector operators similarly pinched by operational cost saving measures. Marine operators are relying on the same diminishing pool of experience, running faster and bigger ships with ever-tighter margins for profit and safety.

Can emergency personnel reach a floating resort as quickly as a land-based resort?

The accidents reported in the media, loss records and detention rates serve as stark reminder of the true state of much of the world's fleets and the urgent need to revisit standards and their enforcement. It could be argued that the cruise industry uses the US Coast Guard, IMO, flag registries and classification societies as cover for many of the issues needing immediate attention. The cruise industry answer to questions regarding the environment and safety issues is the all too familiar refrain, “We are the experts and our regulations are well thought out.” Unfortunately, the marine industry has in fact been reactive, responding only when deaths occur or coastlines are covered in oil, and dying birds and marine mammals.

As an example, in the case of legislation affecting “Roll On, Roll Off” (“RO RO”, carrying both guest and cars/trucks/trailers) passenger ships, the *Estonia* had to sink with the loss of 864 lives in 1986 before legislation was drafted addressing the securing of the bow doors. The cruise industry has not been seen as a proponent of thinking beyond the weekly bottom line. This reluctance to engage in meaningful dialogue became very evident in the industry’s aggressive efforts with regard to helicopter landing areas for cruise ships. The cruise sector successfully fought to keep helicopter pads off their ships while their brethren in the RO RO passenger sector readily adopted the helicopter provisions.

The killing of a modern safety enhancement designed to save lives in an emergency was never more evident than in the cruise industry’s recent all out lobbying effort against Large Passenger Vessel Helicopter Landing Areas. The cruise industry lobbied their open registers, who in turn bottled up the landing pad effort in several costly risk management reviews. In the end, the IMO recognized that without the powerful Panamanian, Liberian, and Bahamian open registers support for the Helo landing measure, the Northern European States had neither the total tonnage nor number of states needed for passage. The final nails were driven into the landing area coffin by a leading classification society commissioned to conduct a Risk Management Review by the cruise industry. The European RO RO passenger ship industry embraced the Helo landing area concept, and the Helo areas are being incorporated into the new RO RO designs.

Had the *Monarch of the Seas* sunk after ripping a one hundred and twenty meter long hole in her bottom, perhaps there would be legislation today stipulating three or even four compartment cruise ships. Does anyone doubt that had the Exxon Valdez not gone aground on a charted rock that double bottom tankers would be an environmentalist’s dream? The U.S. Coast Guard and Classification Societies expressed early negative comments regarding the viability of double hull tankers.

Do we need to wait for a cruise ship disaster before the cruise industry accepts the need for progress and innovation through stakeholder participation in vessel certification and third party verification?

NEXT STEPS

Oceans Blue Foundation calls upon all stakeholders around the world to contribute to our Second Phase report by sharing their observations on the environmental and social justice issues raised by the cruise industry. Oceans Blue Foundation’s Second Phase report will build upon these evaluations to help construct a vessel baseline for the global fleet upon which to establish an international certification program. Oceans Blue Foundation also calls upon individual cruise lines to volunteer to cooperatively work with us and concerned stakeholders to co-create an accreditation body to certify and recognize leadership and innovation in the cruise industry.

Oceans Blue Foundation’s Cruise Ship Stewardship Initiative Whistleblower Line is 1.877.329.5757.

APPENDIX I

SOURCE: WWW.CRUISEJUNKIE.COM

LARGE ENVIRONMENTAL FINES (\$100,000 OR MORE)

Below are cases in which a ship or cruise line has been fined more than \$100,000 for an environmental violation.

Year Cruise Line	Ship(s) Explanation of Offense(s)	Fine	Nature of Offense
February 1993 Regency Cruises	<i>Regent Rainbow, Regent Sea</i> Dumping of plastic bags and garbage off Florida and in Gulf of Mexico	\$250,000 1 year probation	Plastic & garbage
February 1993 Palm Beach Cruises	<i>Viking Princess</i> Discharged oil, creating a sheen (3 miles long) 2.5 miles from Port of Palm Beach	\$1 million	Oil discharge
April 1993 Princess Cruises	<i>Regal Princess</i> Princess Cruises agrees to a fine for dumping more than 20 garbage filled plastic bags off the Florida Keys. Passengers videotape offense and receive half of fine.	\$500,000	Plastic
August 1993 Starlite Cruises	<i>Pacific Star</i> A spill of 500-1000 gallons of oil into San Diego Harbour linked to ship by chemical analysis.	\$106,000 (\$10,000 fine, \$96,000 restitution)	Oil discharge
April 1995 Dolphin Cruise Line	<i>Seabreeze I</i> Discharged plastic bags 2 and 25 miles from the US shore and discharged oil into the North Atlantic 1 mile from US coast	\$425,000 (\$275,000 restitution)	Oil discharge, Plastics & garbage
April 1996 Cunard Line	<i>Royal Viking Sun</i> Stuck coral reef at the mouth of the Gulf of Aqaba	\$23.5 million	Damage to reef
December 1997 Norwegian Cruise Line	<i>Leeward</i> Damaged Great Mayan Reef near Cozumel (more than 4400 square feet had been shaved off -- 80% destroyed)	\$1 million	Damage to reef
1998 Plea Agreement Holland America Line	<i>Rotterdam</i> In 1994, discharged waste 13 times in 10 days into Alaskan waters. The ship had fixed, permanent piping that allowed oily waste to be discharged directly overboard. (Reported Assistant Engineer -- he got \$500,000)	\$2 million (\$1 million fine, \$1 million restitution) 5 year probation	Oil discharge
1998 Plea Agreement Royal Caribbean Cruise Ltd	<i>Nordic Empress</i> Ship observed and filmed by Coast Guard aircraft as it discharged oil while en route to Miami, FL. The company pled guilty to the willful presentation of a false oil record	\$1 million	Oil discharge, falsifying records

	book for the ship during a US Coast Guard Investigation. In addition, investigations revealed that the ship had been fitted with a bypass pipe allowing employees to discharge bilge waste from the ship without first processing it through an oily water separator		
1998 Plea Agreement Royal Caribbean Cruises Ltd	<i>Sovereign of the Seas, Monarch of the Seas, Song of America, Nordic Prince, Nordic Empress</i> After <i>Sovereign of the Seas</i> was found discharging oily bilge waste approximately 8-12 miles from San Juan Harbour, PR on October 25, 1994, an investigation found that the ship's engineers routinely discharged oily waste overboard instead of processing it through the ship's oily water separator. In addition, employees on all five ships falsified oil record books and made false statements to the Coast Guard to conceal illegal discharge practices.	\$8 million (\$1 million designated to the National Fish and Wildlife Foundation) 5 year probation	Oil discharge, falsifying records
1999 Plea Agreement Royal Caribbean Cruises Ltd.	<i>Grandeur of the Seas, Majesty of the Seas, Monarch of the Seas, Nordic Empress, Nordic Prince, Song of America, Song of Norway, Sovereign of the Seas, Sun Viking</i> The company pled guilty in six jurisdictions to charges of fleet wide practices of discharging oil-contaminated waste, regularly and routinely discharging without a permit wastewater contaminated by pollutants through its ships' grey water systems, and making false material statements to the Coast Guard. These practices occurred fleet wide into 1995 and occurred on one ship as late as 1998. Among the violations supporting this guilty plea were repeated oil discharges from the <i>Nordic Prince</i> into the waters of Alaska's Inside Passage during 1994.	\$18 million (\$3.5 million designated for the National Fish and Wildlife Foundation and \$2.5 million to the National Park Foundation) Jurisdictions: Miami (\$3 million), New York City (\$3 million), Los Angeles (\$3 million), Anchorage (\$6.5 million), Puerto Rico (\$1 million), US Virgin Islands (\$1.5 million) NOTE: The judge in Anchorage suspended \$3 million of the fine in Alaska in consideration of the company's prompt payment. 5 year probation	Oil discharge, discharge of hazardous waste, falsifying records
2000 Plea Agreement Royal Caribbean Cruises Ltd.	State of Alaska charged RCCL in August 1999 for seven counts of violating state laws governing oil and hazardous waste disposal. In January 2000, RCCL pled guilty to dumping toxic chemicals (including dry-cleaning fluid) and oil-contaminated water into the state's waters.	\$3.5 million	Discharge of toxic chemicals, oil discharge
2002 Plea Agreement Carnival Corporation	<i>Ecstasy, Fantasy, Imagination, Paradise, Sensation, Tropicale</i> Carnival Corporation pled guilty to	\$18 million (\$9 million fine and \$9 million in court-ordered	Oil discharges

	<p>numerous occasions from 1996 through 2001 that it discharged oily waste into the sea from their bilges by improperly using pollution prevention equipment. In addition, the company falsified the Oil Record Books in order to conceal its practices. The plea agreement only focusses on Carnival Cruise Line (and dismisses any future charges against other Carnival Corp. subsidiaries), however it only applies to the Southern District of Florida. Other federal jurisdictions may pursue independent investigation and prosecution.</p>	<p>community service to fund environmental projects in South Florida</p> <p>5 year probation</p>	
2002 Plea Agreement Norwegian Cruise Line	<p><i>Norway and "at least one other ship"</i></p> <p>Norwegian Cruise Line pled guilty to on numerous occasions from 1997 through April 2000 that it routinely circumvented the oily water separator, allowing oily bilge to be discharged directly into the sea. The company was given a lenient sentence because it reported its practices to the Department of Justice.</p>	<p>\$1.5 million (\$1 million fine and \$500,000 in court-ordered community service to fund environmental projects in South Florida</p>	Oil discharges

Primary Sources: *Marine Pollution: Progress Made to Reduce Marine Pollution by Cruise Ships, but Important Issues Remain* (February 2000 -- Washington, DC: GAO), and various news reports

POLLUTION AND ENVIRONMENTAL VIOLATIONS AND FINES, 1992 – 1999

(ONLY THOSE REPORTED IN THE MEDIA OF PUBLIC DOCUMENTS)

Year Cruise Line	Ship Explanation of Offense(s)	Fine	Nature of Offense
early-1992 Royal Caribbean Cruise Line	<i>Nordic Prince</i> Leaves a 450 meter (1500 foot) oil spill in St. George's Harbour, Bermuda	\$8500	Oil discharge
March 1992 Norwegian Caribbean CruiseLine	<i>Seaward</i> Discharged debris and raw sewage in harbour at Georgetown, Grand Cayman Island	\$3750	Sewage
February 1993 Royal Caribbean Cruise Line	<i>Nordic Empress</i> 7-nautical mile oil slick left by ship between Bimini, Bahamas and South Florida coast (videotaped by Coast Guard)	Referred to flag state	Oil discharge
February 1993 Holland America Line	<i>Statendam</i> Plastics and garbage discharged between the Panama Canal and Golfo Dulce (reported by passengers)	Referred to flag state	Plastic & garbage
February 1993 Regency Cruises	<i>Regent Rainbow, Regent Sea</i> Dumping of plastic bags and garbage off Florida and in Gulf of Mexico	\$250,000 1 year probation	Plastic & garbage
February 1993 Palm Beach	<i>Viking Princess</i> Discharged oil, creating a sheen (3 miles long) 2.5 miles	\$1 million	Oil discharge

Cruises	from Port of Palm Beach		
March 1993 Norwegian Caribbean Cruise Line	<i>Seaward</i> Discharged debris and raw sewage in harbour at Georgetown, Grand Cayman Island	Unknown	Sewage
April 1993 Royal Caribbean Cruise Line	<i>Majesty of the Seas</i> Discharged waste into harbour at Georgetown, Grand Cayman Island containing an unacceptably high level of bacteria harmful to marine life.	\$2500	Bacteria
April 1993 Princess Cruises	<i>Regal Princess</i> Princess Cruises agrees to a fine for dumping more than 20 garbage filled plastic bags off the Florida Keys in October 1991. Passengers videotape offense and receive half of fine.	\$500,000	Plastic
April 1993 Carnival Cruise Line	<i>Ecstasy</i> Ship was observed trailing a several -mile long oil slick (observed by Coast Guard)	Referred to flag state	Oil discharge
April 1993 Norwegian Cruise Line	<i>Seaward</i> 3-mile long oil slick trailed the ship as it traveled approximately 11 miles of Key Biscayne, FL (videotaped by Coast Guard)	Referred to flag state	Oil discharge
May 1993 Dolphin Cruise Line	<i>Seabreeze</i> Plastics and garbage discharged while ship en route to San Juan, PR (reported by passengers)	Referred to flag state	Plastic & garbage
May 1993 Premier Cruises	<i>Starship Atlantic</i> A one half mile sheen trailed ship 4 miles off the Bahamas (observed by Coast Guard)	Referred to flag state	Oil discharge
May 1993 Holland America Line	<i>Noordam</i> One quart of oil discharges in Elliot Bay, WA after oily water separator failed. Ship was in dry-dock at the time.	\$500	Oil discharge
June 1993 Premier Cruises	<i>Starship Oceanic</i> Ship trailed a 6-8 mile sheen in New Providence Channel (observed by Coast Guard)	Referred to flag state	Oil discharge
June 1993 Celebrity Cruises	<i>Britanis</i> Plastics and garbage discharged into the Gulf of Mexico outside US jurisdiction (reported by passengers)	Referred to flag state	Plastic & garbage
June 1993 Cunard Line	<i>Crown Jewel</i> 8-mile sheen trailing ship when it was 35 miles west of Freeport, Bahamas (observed by Coast Guard)	Referred to flag state	Oil discharge
June 1993 Royal Cruise Line	<i>Golden Odyssey</i> Plastic bag full of garbage found in Endicott Arm, AK. Traced to the ship by the bag's contents.	\$1500	Plastic & garbage
July 1993 Europa Cruises	<i>Europa Jet</i> Spill of approximated 20 gallons of oil into the Thames River, CT, was linked by chemical analysis to the Europa Jet.	\$750	Oil discharge

July 1993 Royal Caribbean Cruise Line	<i>Majesty of the Seas</i> 300-400 liters (75-100 gallons) of lube oil drained into grey water tank and was discharged into Port of Miami	\$3750	Oil discharge
July 1993 Birka Cruises	<i>Golden Princess</i> 10 gallons of marine diesel oil discharged into San Francisco Harbour	\$1000	Oil discharge
July 1993 Princess Cruises	<i>Star Princess</i> 264 gallons of lubricating oil discharged into Taiya Inlet, AK after a propeller shaft seal was broken by a fishing line	\$100	Oil discharge
August 1993 Clipper Cruise Line	<i>Yorktown Clipper</i> Significant fuel leak after ramming a rock in Glacier Bay National Park, AK	None	Fuel discharge
August 1993 Starlite Cruises	<i>Pacific Star</i> A spill of 500-1000 gallons of oil into San Diego Harbour linked to ship by chemical analysis.	\$106,000 (\$10,000 fine, \$96,000 restitution)	Oil discharge
September 1993 Regal Cruises	<i>Regal Empress</i> Observed twice dumping plastic and garbage into coastal waters 12 and 25 miles from shore.	\$5000	Plastic and garbage
September 1993 Discovery Cruises	<i>Discovery I</i> A spill of 30-40 gallons of waste oil into Port Everglades, FL was linked to ship by chemical analysis	\$5000	Oil discharge
September 1993 Regency Cruises	<i>Regent Rainbow</i> Oil based paint dripped into Tampa Bay, FL while hull was being painted	\$500	Oil
October 1993 Starlite Cruises	<i>Pacific Star</i> A spill of 200 gallons of fuel in San Diego Bay, CA was linked to ship by chemical analysis	Part of plea agreement from August 1993	Fuel spill
November 1993 Dolphin Cruise Line	<i>Dolphin IV</i> Observed pumping oil into the water while en route approximately 5 miles from US coast	\$5000	Oil discharge
December 1993 Ferry Charter Florida, Ltd	<i>Santiago de Cuba</i> Approximately 25 gallons of waste oil spilled into the Mobile River, AL while ship in dry dock	\$1100	Oil discharge
December 1993 Norwegian Cruise Line	<i>Westward</i> 20 gallons of diesel fuel spilled during transfer operations	\$2500	Fuel spill
January 1994 Dolphin Cruise Line	<i>Oceanbreeze</i> Plastics and garbage discharged into the water (reported by passengers)	Referred to flag state	Plastic & garbage
January 1994 Princess Cruises	<i>Fair Princess</i> 1 gallon of hydraulic oil spilled into Los Angeles, CA harbour	\$500	Oil spill
January 1994 Birka Lines	<i>Golden Princess</i> 210 gallons of fuel oil discharged into Los Angeles, CA harbour	\$4000	Oil spill

February 1994 Norwegian Cruise Line	<i>Starward</i> 100 gallons of hydraulic oil spilled when ship ran aground on St. John, USVI	\$7000	Oil spill
February 1994 Sea Princess Guam Corp.	<i>Sea Princess</i> 1 gallon of lube oil spilled into Apra Harbour, Guam when oil holding tank was overfilled	\$500	Oil spill
February 1994 National Liquidators	<i>Saint Lucie</i> 150 gallons of diesel fuel spilled into the Intracoastal Waterway at Port Everglades, FL due to rupture in fuel pipe and a leak in the containment area	\$3000	Fuel spill
February 1994 Cunard Line	<i>Vistafoord</i> 15 gallons of oily bilge discharged	\$3000	Oil discharge
April 1994 Regency Cruises	<i>Regent Sun</i> Fuel spilled into San Juan Harbour, PR,	\$4000	Fuel spill
May 1994 Birka Lines	<i>Golden Princess</i> Oil water was discharged into the Lynn Canal, AK. Crew ignored onboard alarms	Not prosecuted	Oil discharge
May 1994 Discovery Cruise Line	<i>Discovery I</i> A 2-mile long slick trailed the ship as it was en route to the Bahamas (videotaped by Coast Guard)	Referred to flag state	Oil discharge
July 1994 Dolphin Cruise Line	<i>Seabreeze I</i> Plastics and garbage discharged into the water (reported by passengers)	Referred to flag state	Plastic & garbage
July 1994 Seawise Foundations	<i>Universe</i> Oil leaked from one of the ship's tenders into Gastineau Channel, AK	\$250	Oil spill
July 1994 Premier Cruises	<i>Starship Atlantic</i> One 5-gallon can of red paint broke open when it fell into Canaveral Harbour, FL	\$1000	Paint spill
July 1994 Princess Cruises	<i>Fair Princess</i> 42 gallons of bunker fuel oil spilled into San Francisco Harbour	\$3000	Oil spill
July 1994 Holland America Line	<i>Westerdam</i> Discharge of oil into Stephens Passage, AK when oily water separator failed	Warning	Oil discharge
July 1994 Regency Cruises	<i>Regent Sea</i> Lube oil spilled into Gulf of Alaska -- created a 26-mile long sheen	\$5000	Oil spill
August 1994 Holland America Line	<i>Nieuw Amsterdam</i> 260 gallons of hydraulic oil from the propeller leaked when the ship was grounded off Gavina Point, AK	\$1500	Oil discharge
August 1994 Jubill of Bahamas	<i>Saint Lucie</i> 150 gallons of oil spilled into Port Everglades, FL linked to ship by chemical analysis	\$4500	Oil spill
September 1994 Holland America Line	<i>Rotterdam</i> Discharge waste 13 times in 10 days into Alaskan waters. The ship had fixed, permanent piping that allowed oily	\$2 million (\$1 million fine, \$1 million	Oil discharge

	waste to be discharged directly overboard. (Reported Assistant Engineer -- he got \$500,000)	restitution) <i>5 year probation</i>	
September 1994 Premier Cruises	<i>Starship Majestic</i> 1 gallon of hydraulic oil spilled into East Bay, Tampa, FL	\$1000	Oil spill
September 1994 Fernanda Cruise Line	<i>Emerald Princess</i> Oil based paint dripped into the Amelia River, FL while crew were painting the side of the ship	\$500	Paint spill
September 1994 Birka Lines	<i>Golden Princess</i> 10 gallons of lubricating oil discharged into Gastineau Channel, AK	\$1200	Oil discharge
September 1994 Royal Caribbean Cruise Line	<i>Nordic Prince</i> Unknown quantity of oil discharged into Gastineau Channel, AK	\$5600	Oil discharge
October 1994 Royal Caribbean Cruise Line	<i>Sovereign of the Seas</i> Discharged oily bilge water 8-12 miles from San Juan Harbour, PR	\$4000	Oil discharge
November 1994 Celebrity Cruises	<i>Britanis</i> Plastics and garbage discharged into water (reported by passengers)	Referred to flag state	Plastic & garbage
November 1994 Premier Cruises	<i>Starship Majestic</i> 2 gallons of oil based paint dripped into Tampa Bay Harbour, FL	\$750	Paint spill
December 1994 Princess Cruises	<i>Fair Princess</i> Oil based paint dripped into Los Angeles Harbour, CA	\$250	Paint spill
February 1995 Holland America Line	<i>Nieuw Amsterdam</i> 25 gallons of marine gas oil spilled into East Bay, FL because a tank was overfilled.	\$2500	Oil spill
February 1995 Norwegian Cruise Line	<i>Star Odyssey</i> 10 barrels of waste oil and sewage spilled into Southwest Pass, LA during bilge pumping	\$6000	Oil spill & sewage
February 1995 Fernandina Cruise Lines	<i>Emerald Princess</i> 20 gallons of waste oil leaked from a hole in ship's hull onto the dock and into the St. John's River, FL	\$500	Oil spill
March 1995 Ulysses Cruises	<i>Star of Texas</i> 1.8 mile sheen (150 feet wide) trailing ship as it traveled in North Atlantic near Miami (videotaped by coast guard)	Referred to flag state \$75,000	Oil discharge
March 1995 Norwegian Cruise Line	<i>Star Odyssey</i> 126 gallons of heavy fuel oil spilled into the Mississippi River because a tank was overfilled	\$2500	Oil spill
March 1995 Seabourn Cruise Line	<i>Seabourn Pride</i> Residue from bilge was flushed into the Intracoastal Waterway in Port Everglades, FL	\$500	Pollution
April 1995 Norwegian Cruise Line	<i>Royal Majesty</i> 3-mile sheen trailing ship (videotaped by Coast Guard)	Referred to flag state	Oil discharge

April 1995 Dolphin Cruise Line	<i>Seabreeze I</i> Discharged plastic bags 2 and 25 miles from the US shore and discharged oil into the North Atlantic 1 mile from US coast	\$425,000 (\$275,000 restitution)	Oil discharge, Plastics & garbage
April 1995 Dolphin Cruise Line	<i>Seabreeze I</i> Plastics and garbage discharged into water (reported by passenger)	Referred to flag state	Plastic & garbage
April 1995 SeaEscape Cruises	<i>Scandinavian Dawn</i> 3-mile sheen trailing ship (videotaped by Coast Guard)	Referred to flag state	Oil discharge
May 1995 Holland America Line	<i>Rotterdam</i> Bowthruster leaked a half gallon of hydraulic oil	\$250	Oil spill
June 1995 Dolphin Cruise Line	<i>Seabreeze I</i> 60 gallons of fuel oil discharged in San Juan Harbour, PR linked to ship by chemical analysis	\$1200	Oil discharge
June 1995 Princess Cruises	<i>Star Princess</i> Spilled 50-75 gallons of fuel oil when ran aground in Lynn Canal, AK	\$800	Oil spill
June 1995 Royal Caribbean Cruise Line	<i>Majesty of the Seas</i> 1 gallon of bilge oil discharged into Intracoastal Waterway, FL when a valve was left open	\$250	Oil discharge
July 1995 Carnival Cruise Line	<i>Jubilee</i> Oil based paint dripped into Port of Los Angeles/Long Beach during painting of ship's hull	\$250	Paint spill
July 1995 Royal Caribbean Cruise Line	<i>Legend of the Seas</i> 10 gallons of oily bilge water discharged into Gastineau Channel, AK	\$1000	Oil discharge
July 1995 Regency Cruises	<i>Regent Star</i> 10 gallons of lube oil discharged into Whittier Harbour, AK	\$250	Oil discharge
July 1995 Regency Cruises	<i>Regent Star</i> 5 gallons of lube oil washed into Whittier Harbour, AK while decks being washed down	\$500	Oil spill
August 1995 Carnival Cruise Line	<i>Tropicale</i> 1 gallon of diesel fuel leaked into Tampa Bay, FL through a hole in the fuel tank of a lifeboat	\$250	Fuel spill
August 1995 Discovery Cruises	<i>Scandinavian Dawn</i> 20 gallons of hydraulic oil discharged into Intracoastal Waterway, Port Everglades, FL	\$1000	Oil discharge
August 1995 DFDS Seaways	<i>Discovery Sun</i> Oil based paint dripped into the Port of Miami during painting of ship's hull	\$250	Paint spill
December 1995 Carnival Cruise Line	<i>Holiday</i> 5 gallons of waste oil discharged while in dry dock because a valve was in the wrong position	\$250	Oil spill
January 1996	<i>Maasdam</i>	Unkown fine	Damage to

Holland America Line	Drags anchor across 1000 meters of Soto's Reef, Cayman Islands		reef
February 1996 Canaveral Cruise Line	<i>Dolphin IV</i> 50 gallons of fuel oil spilled into Port Canaveral, FL	\$625	Oil spill
February 1996 Cunard Line	<i>Cunard Countess</i> Garbage and plastic washed ashore at St. Croix, USVI with identifying information linked to the Cunard Countess	Warning	Plastic & garbage
February 1996 Premier Cruises	<i>Starship Oceanic</i> 200 gallons of oil spilled into Port Canaveral, FL linked to ship by chemical analysis	\$2500	Oil spill
March 1996 Celebrity Cruises	<i>Meridian</i> Food waste mixed with garbage discharged into Crown Bay, St. Thomas, USVI	Warning	Food and garbage
March 1996 Seabourn Cruise Line	<i>Queen Odyssey</i> 1 gallon of fuel oil spilled into Caribbean Sea at St. Croix, USVI	\$250	Oil spill
April 1996 Cunard Line	<i>Royal Viking Sun</i> Stuck coral reef at the mouth of the Gulf of Aqaba	\$23.5 million	Damage to reef
April 1996 Tropicana Cruises	<i>Tropicana</i> 80 gallons of oil spilled into Port of Miami linked to ship by chemical analysis	\$5000	Oil discharge
April 1996 Dolphin Cruise Line	<i>Oceanbreeze</i> 150 gallons of oil discharged into Biscayne Bay, FL	\$17,500	Oil discharge
May 1996 Norwegian Cruise Line	<i>Leeward</i> 70 gallons of oil spilled into Port of Miami linked to ship by chemical analysis	\$4000	Oil discharge
July 1996 Norwegian Cruise Line	<i>Leeward</i> 1 gallon of fuel was discharged into Port of Miami when a hose was disconnected during fuel transfer	\$250	Fuel spill
August 1996 Louisiana Cruise Ltd	<i>La Cruise</i> 15 gallons of oil leaked into the St. John's River, FL over 11 days while the ship was in port	\$1500	Oil spill
September 1996 Royal Caribbean Cruise Line	<i>Song of Norway</i> One half pint of oil based paint spilled into Port of Los Angeles/Long Beach	\$250	Paint spill
September 1996 Royal Caribbean Cruise Line	<i>Viking Serenade</i> 5 gallons of hydraulic fluid spilled into San Pedro Bay, CA	\$250	Hydraulic fluid spill
October 1996 Prime Express Cruise Co.	<i>Ukraina</i> 40 gallons of waste oil spilled into Intracoastal Waterway, Port Everglades, FL	\$10,000	Oil spill
February 1997 Royal Caribbean Cruise Line	<i>Sundream</i> 65 gallons of fuel oil spilled into Patapsco River, MD	\$1000	Oil spill

March 1997 Radisson Seven Seas Cruises	<i>Radisson Diamond</i> 10 gallons of oil discharged into San Juan Bay, PR	\$1000	Oil discharge
March 1997 Radisson Seven Seas Cruises	<i>Radisson Diamond</i> 10 gallons of waste oil discharged into San Juan Bay, PR because a valve was left open	\$3000	Oil discharge
March 1997 Club Med	<i>Club Med I</i> 76-100 gallons of diesel oil spilled into San Juan Harbour, PR	\$3000	Oil spill
June 1997 Dolphin Cruise Line	<i>Seabreeze I</i> 80 gallons of black diesel oil discharged into St. Thomas Harbour, USVI	\$1000	Oil discharge
July 1997 Carnival Cruise Line	<i>Holiday</i> One half gallon of oil based paint spilled into Los Angeles Harbour, CA	\$250	Paint spill
September 1997 International Shipping	<i>Regal Voyager</i> 30 gallons of oil spilled into Port of Miami linked to ship by chemical analysis	\$1000	Oil discharge
December 1997 Norwegian Cruise Line	<i>Leeward</i> Damaged Great Mayan Reef near Cozumel (more than 4400 square feet had been shaved off -- 80% destroyed)	\$1 million	Damage to reef
December 1997 Royal Caribbean Cruise Line	<i>Nordic Empress</i> 1 gallon of waste oil spilled into San Juan Harbour, PR	\$625	Oil spill
February 1998 Sea Co, Ltd	<i>Liberty II</i> 1 gallon of lube oil spilled into Sheepshead Bay, NY	Warning	Oil spill
February 1998 Acqua Azzurra Maritima	<i>Acqua Azzurra</i> 2 gallons of diesel fuel entered New River, FL through ship's generator exhaust	\$250	Fuel spill
March 1998 Holland America Line	<i>Statendam</i> 210 gallons of oil spilled into Los Angeles Main Channel, CA	\$800	Oil discharge
March 1998 Royal Olympic	<i>Stella Solaris</i> 5 gallons of diesel fuel discharged into Galveston Ship Channel, TX	\$250	Fuel discharge
April 1998 International Shipping	<i>Island Dawn</i> 26-30 gallons of fuel discharged into Intracoastal Waterway, Port Everglades, FL	\$2125	Fuel discharge
May 1998	<i>Tropicale</i> One half gallon of hydraulic fluid discharged into Tampa Bay, FL	\$250	Hydraulic fluid spill
June 1998 Holland America Line	<i>Statendam</i> 1 gallon of oil discharged into Tongas Narrows, AK	\$250	Oil discharge
August 1998 Norwegian	<i>Norwegian Star</i> 30 gallons of lube oil discharged into Barbours Cut	\$625	Oil discharge

Cruise Line	Channel, TX		
September 1998 Meridian Ship Managers	<i>Island Adventure</i> 200 gallons of fuel oil spilled into the Intracoastal Waterway, Port Everglades, FL	\$5000	Oil spill
May 1999 Sun Cruises	<i>Sun Vista</i> Sinks off Malaysia leaving a 55 km-long oil slick (35 miles)		Oil slick
June 1999 Cruise West	<i>Wilderness Adventurer</i> Spilled 200 gallons of fuel when grounded in Glacier Bay National Park		Fuel spill

Sources: *Marine Pollution: Progress Made to Reduce Marine Pollution by Cruise Ships, but Important Issues Remain* (February 2000 -- Washington, DC: GAO), and various news reports

ENVIRONMENTAL VIOLATIONS IN ALASKA, 2000 - 2002

Year Cruise Line	Ship(s) Explanation of Offense(s)	Fine	Nature of Offense
1999 Carnival Cruise Line, Celebrity Cruises, Holland America Line, Norwegian Cruise Line, Princess Cruises, World Explorer Cruises	13 ships (six companies) charged by the Environmental Protection Agency for air pollution violations in the waters of Juneau, Seward and Glacier Bay	Carnival Cruise Line (\$55,000) Celebrity Cruises Holland America (\$55,000) Norwegian Cruise Line (\$55,000) Princess Cruises (\$110,000) World Explorer Cruises (unknown)	Air pollution
2000 Carnival Cruise Line, Celebrity Cruises, Crystal Cruises, Holland America Line, Norwegian Cruise Line, Princess Cruises, World Explorer Cruises	11 ships (7 companies) cited for violating state smoke-opacity standards when they were docked in Juneau between mid-July and mid-August	Carnival Cruise Line (\$27,500) Celebrity Cruises (\$55,000) Crystal Cruises (\$55,000) Holland America (\$165,000 --	Air pollution

		<p>\$55,000 suspended)</p> <p>Norwegian Cruise Line (\$27,500)</p> <p>Princess Cruises (\$55,000)</p> <p>World Explorer Cruises (\$27,500 -- \$10,000 suspended)</p>	
2001 (May) Norwegian Cruise Line	<p><i>Norwegian Sky</i></p> <p>Discharged black water (sewage) for 20 to 30 minutes (meaning a waste stream of up to three-quarters of a mile) while the vessel was en route from Juneau to Ketchikan and within 3 miles of the Alexander Archipelago. Fecal coliform counts were 3500 times the allowable federal standard and total suspended solids 180 times the standard.</p>	Unknown (up to \$25,000 is allowed)	Sewage discharge
2001 (May) Holland America Line	<p><i>Westerdam</i></p> <p>Discharged grey wastewater while docked in Juneau -- estimated by Holland America Line at 30 to 100 gallons (the pump's output is 200 gallons per minute, so the estimate appears low).</p>	Unknown (up to \$25,000 is allowed)	Grey water discharge
2001 (June) Celebrity Cruises	<p><i>Mercury</i></p> <p>Discharged treated wastewater at Juneau without required permits. Tests of the wastewater indicated that it was more acidic than permitted for discharging within a mile of shore.</p>	Unknown (up to \$25,000 is allowed)	Wastewater discharge
2001 (June) Royal Caribbean International	<p><i>Rhapsody of the Seas</i></p> <p>Discharged 200 gallons of Grey water into Juneau harbour.</p>	Unknown (up to \$25,000 is allowed)	Grey water discharge
2001 Carnival Cruise Line, Celebrity Cruises, Crystal Cruises, Holland America Line, Norwegian Cruise Line, Princess Cruises	11 ships (six companies) cited for violations of air opacity regulations	<p>Carnival Cruise Line (unknown)</p> <p>Celebrity Cruises (unknown)</p> <p>Crystal Cruises (\$55,000 -- 1/2 suspended)</p> <p>Holland America (\$27,500 -- suspended)</p>	Air pollution

		Norwegian Cruise Line (\$27,500) Princess Cruises (\$55,000 -- suspended)	
2002 (August) Holland America Line	<i>Ryndam</i> Approximately 40,000 gallons (250 according to HAL) of sewage sludge discharged into Juneau harbour. The incident was reported by harbourmaster staff. The brown, thick substance is being tested by Alaska's DEC for fecal coliform, pH, and biochemical demand levels.	Up to \$25,000 is allowed	Sewage discharge